## Approved For Release 2001/08/01 : CIA-RDP91-00682R000100090012-2

Tuesday - 1 February 1949

1. Mr. Houston and myself, together with Mr. Saunders, conferred with Mr. Paisley, of the Criminal Division of the Department of Justice, regarding the frauds discussed in Journal Entry No. 2 of 31 January. In view of the fact that these frauds, if any, occurred within the District, they become the responsibility of the U. S. Attorney for the District, and therefore we met with Mr. Fay, they both agreed that the problem at present should be handled administratively by CIA Board until such time as a final report was available. At that time they would consider what steps were necessary to be taken, but it was their feeling that on the present facts prosecution would not be necessary provided administrative restitution could be made. The Acting Executive, in the light of the facts set forth in Item No. 2 tion of this matter.